

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

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|--------------------------------------|---|-----------|---------------|
| In re Application of                 | ] |           |               |
|                                      | ] |           |               |
| Morris, Daniel                       | ] |           |               |
|                                      | ] |           |               |
| Serial No.: 10/630,532               | ] | Examiner: | Fonya M. Long |
|                                      | ] |           |               |
| Filed: July 30, 2003                 | ] | Art Unit: | 3689          |
|                                      | ] |           |               |
| For: System and Method for Automated | ] |           |               |
| Release Tracking                     | ] |           |               |

Mail Stop Appeal Brief - Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

BRIEF ON APPEAL

Sir:

This is an appeal under 37 CFR 1.191 to the Board of Patent Appeals and Interferences of the U.S. Patent and Trademark Office from the final rejection of claims 1-31 of the above-identified patent application in an Office Action dated August 3, 2010.

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**I. Real Party in Interest**

Daniel R. Morris of Virginia Beach, Virginia is the owner and applicant (hereafter “Appellant”) of this patent application, and the real party in interest.

## **II. Related Appeals, Interferences and Judicial Proceedings**

Appellant's legal representative and Appellant know of the following pending appeal which may have a bearing on the Board's decision in the present pending appeal:

Application No. 10/308,268, a commonly owned application having a similar disclosure but distinctly claimed subject matter. A non-final Office Action issued July 2, 2010, a notice of appeal was filed on October 1, 2010, and an Appeal Brief for this co-pending application is being filed simultaneously herewith.

### **III. Status of Claims**

Claims 1-31 are pending in the application.

Claims 1-31 are finally rejected.

Claims 1-31 are being appealed.

Each of claims 1-31 are shown in the Appendix attached to this Appeal Brief.

#### **IV. Status of Amendments**

Appellant has filed no amendments subsequent to the final rejection contained in the Office Action mailed August 3, 2010.

## **V. Summary of Claimed Subject Matter**

### **A. Background**

Land record repositories throughout the country provide public notice of stakeholders' claims on real property. Release of a lender's claim on property is required after payment or satisfaction of the underlying loan. Lenders have historically failed to appropriately file notices releasing their liens in a timely manner. This problem resulted in part from the nationalization of mortgage origination and servicing coupled with the diversity of statutes, regulations, and local customs unique to individual counties wherein the secured real property lies. Loans and loan records are no longer a local phenomenon. This has led to challenges for payoff lenders seeking statutory compliance in releasing secured real properties when the mortgage note is paid or satisfied. The broad incongruency in lien release/reconveyance methods from state to state has resulted in significant failure of the release instrument to appear in the proper land record index. As a result, as many as 30% of paid mortgages may not appear in land record indexes, causing title defects such as slander of title.

The problem has persisted in part because lien release management is a follow-on task after a real property-secured loan closing has occurred and parties holding prior liens have been paid. As a result, there has been little motivation by the payoff lender to properly follow through with lien release management. The result of the lienholder's (payoff Lender's) failure to properly follow through with the recordation of their releases has directly impacted consumers owning the property subject to the wrongful lien. Title defects on the property result. These defects adversely affect several entities or persons associated with the lien property – the landowner, closing attorney, title company and others. These affected entities or persons are not benefited from the lender's methods of producing and recording their releases.

The present invention provides in part a system to track and report on the payoff lenders' performance of their duty to release paid liens. As described in the specification for the present application, the present invention not only receives, stores and manages information relating to multiple real estate liens, title and financial transactions in multiple jurisdictions, but also tracks note payoffs and whether liens have been timely released to provide a variety of benefits to numerous parties. Lenders, borrowers, buyers, settlement agents and title insurers alike all benefit as a result. By tracking, reporting and preparing documents to facilitate lien release and recording on specific properties, the present invention facilitates the identification of liens timely and properly released by the payoff lender, the removal of liens recorded against a borrower's property that the paid lender or servicer failed to timely or properly release, and the recordation of liens against the buyer's property. For a settlement agent, the present invention assists in post-closing processing of lien releases and recordations necessary for the issuance of title insurance policies, and necessary for the settlement agent to safely close his or her files.

It will be appreciated that the present invention does not assist in creating or modifying a lien or updating a lien record when a lien has been released. Further, the present invention does not simply pertain to the tracking of notes underlying the liens. As described in the specification of the present application, there are two very different documents associated with the real estate transactions contemplated as part of the present invention. There are liens (also called deeds of trust or mortgages) which are typically recorded with the court house in the jurisdiction in which the property lies, and there are notes, which are the paper documents underlying the lien that can be bought, sold, transferred, securitized and so forth in accordance with market custom. The notes contain, inter alia, the terms of repayment of the loan secured by the lien. Banks that underwrite mortgage loans try to reduce their costs of managing the release of liens related to



satisfied or paid off accounts (notes) by typically engaging an internal or external lien release or reconveyance department for this purpose. Servicing agencies can also be employed on behalf of note holders to assist with re-payment and enforcement of note terms. Importantly, these types of services pertaining to the notes correspond to enforcement *against the obligor* (i.e., the borrower of funds) and not the lender. Further, while notes can be tracked to determine who ultimately holds a note (or is the owner of a note) at the time a payoff is to occur, the note tracking entities (e.g., MERS) consider their task finished once the current note holder is identified.

By contrast, the present invention as claimed pertains to what happens *after* the note has been satisfied (i.e., the note holder is identified, and the note is paid off by or on behalf of the borrower such that the note holder is no longer owed any monies) and the corresponding lien is not released. It is at this stage that the lien must be released (in order to comply with state statutes) so that the new and proper title can be correctly recorded. In focusing on these aspects, the present invention is not concerned with enforcing against the obligor on behalf of the lender. Rather, the present invention is concerned with enforcing *against the lender on behalf of the obligor*, settlement agencies and title insurers, for example.

#### B. Independent claim 1

Claim 1 recites a method for managing lien releases, which is generally shown in Figs. 7A-13, 16 and 17, and the related text from page 26, line 13 to page 32, line 21, as well as from page 18, line 4 to page 19, line 16 of the original application, for example. Claim 1 recites a step of (a) providing computer access to real property-related lien records for a plurality of lien record-keeping jurisdictions, each of said lien records including a respective lien holder entry,

such as described, for example, from page 18, line 27 to page 19, line 6 of the original application (paragraph 0060 of published version of the application (publication no. 20080281649)), from page 27, line 28 to page 28, line 19 of the original application (paragraph 0079 of published version of the application) and page 29, line 8 to line 19 of the original application (paragraph 0082 of published application). Claim 1 also recites a step of (b) identifying, using a programmed computer, at least one real property-related lien where a note underlying the at least one lien has been paid and satisfied, searching the lien records and determining from the lien records whether the at least one real property-related lien is due for release as a result of the note having been satisfied, such as described, for example, in the same locations as step (a), as well as page 26, line 13 to page 27, line 1 of the original application (paragraph 0076 of the published application). Claim 1 also recites a step of (c) identifying whether at least one lien holder is subject to an action for non-release of a real property-related lien, as described, for example, in the same locations as step (a) as well as from page 27, line 3 to page 28, line 19 (paragraphs 0077-0079 of the published application). Claim 1 also recites a step (d) repeating steps (b) and (c) at given time intervals, such as described, for example, from page 27, line 28 to page 28, line 19 and from page 29, lines 21-29 of the original application (paragraphs 0079 and 0083 of the published application). Claim 1 also recites a step (e) presenting, using a programmed computer, a report of a subset of said lien records, said report including the identification of any liens due for release and any lien holders subject to penalty for non-release associated with said subset, such as described, for example, from page 29, line 8 to page 30, line 8 of the original application (paragraphs 0082-0084 of the published application).

#### C. Independent claim 10

Claim 10 recites a system for managing lien releases, which is generally shown in Figs. 7A-13, 16 and the related text from page 26, line 13 to page 32, line 21, as well as from page 18, line 4 to page 19, line 16 of the original application, for example. Claim 10 recites a first element in the form of a lien management component executing on a computer for providing access to real property-related lien records for a plurality of lien record-keeping jurisdictions, each of said lien records including a respective lien holder entry, such as described for example, from page 18, line 27 to page 19, line 6 of the original application (paragraph 0060 of published application), from page 27, line 28 to page 28, line 19 of the original application (paragraph 0079 of published application) and page 29, line 8 to line 19 of the original application (paragraph 0082 of published application), and illustrated at 710 in Fig. 16. Claim 10 recites a second element in the form of a lien status identification component executing on a computer for identifying at least one real property-related lien where a note underlying the at least one lien has been satisfied, searching the lien records and determining from the lien records whether the at least one real property-related lien is due for release as a result of the note having been satisfied, and for identifying whether at least one lien holder is subject to an action for non-release of a real property-related lien, said status component including means for iteratively querying said lien records and performing said identifications at given time intervals. This second element is described, for example, from page 26, line 13 to page 28, line 19 (paragraphs 0076-0079 of the published application) and from page 29, lines 8-29 (paragraphs 0082-0083 of the published application), and illustrated at 720 in Fig. 16. With regard to the means-plus-function element of this second element, "means for iteratively querying said lien records and performing said identifications at given time intervals", Appellant cites the lien status component as illustrated in Fig. 16 and described, for example, from page 29, lines 21-29 of the original application

(paragraph 0083 of the published application), from page 32, lines 13-21 (paragraph 0090 of the published application), as well as from page 7, line 20 to page 8, line 8 (paragraph 0018 of the published application) as exemplary structure, material and/or acts corresponding to the claimed function.

Claim 10 further recites a third element in the form of a reporting component executing on a computer for presenting a report of a subset of said lien records, said report including the identification of any liens due for release and any lien holders subject to penalty for non-release associated with said subset, such as described, for example, in paragraphs 0082-0084 and illustrated at 712 in Fig 16.

The recitation of dependent claim 16 is supported from page 27, line 28 to page 28, line 19 of the original application (paragraph 0079 of published application) and page 29, line 8 to line 19 of the original application (paragraph 0082 of published application), for example.

D. Independent claim 19 and dependent claim 20 therefrom

Claim 19 recites a method for managing lien releases, which is generally shown in Figs. 5-13 and the related text from page 23, line 30 to page 32, line 21, as well as from page 18, line 4 to page 19, line 16 of the original application, for example. Claim 19 recites a step of receiving, by a programmed computer, transactional information related to at least one real property-related lien, such as described, for example, from page 18, lines 5-17 of the original application (paragraph 0058 of the published application). Claim 19 recites a step of providing, by the programmed computer, at least one electronic document based on said transactional information, as described, for example, from page 18, lines 5-17 of the original application (paragraph 0058 of the published application). Claim 19 recites a step of determining whether a lien record

associated with said at least one real property-related lien can be tracked electronically and whether the at least one lien is due for release as a result of a note underlying the at least one lien having been satisfied, as described, for example, on page 14, lines 14-31 (paragraph 0049 of published application). Claim 19 recites a step of searching, using the programmed computer, for said lien record, as described, for example, on page 14, lines 14-31 (paragraph 0049 of published application). Claim 19 further recites a step of receiving, by the programmed computer, search results associated with said lien record, such as described, for example, on page 14, lines 14-31 (paragraph 0049 of published application). Claim 19 further recites a step of presenting a report identifying a release status associated with said lien record, as described, for example, from page 16, lines 12-31 and page 18, lines 5-17 of the original application (paragraphs 0054 and 0058 of the published application).

The recitation of claim 20 is supported by page 15, lines 1-19 and page 31, lines 4-13 (paragraphs 0050 and 0087 of the published application), for example.

E. Independent claim 21 and claim 22 dependent therefrom

Claim 21 recites a system for managing lien releases, which is generally shown in Figs. 5-13 and the related text from page 23, line 30 to page 32, line 21, as well as from page 18, line 4 to page 19, line 16 of the original application, for example. Claim 21 recites a lien management component executing on a computer for receiving transactional information related to at least one real property-related lien and providing at least one electronic document based on said transactional information, as described, for example, from page 18, line 5 to page 19, line 6 of the original application (paragraphs 0058-0060 of the published application), from page 23, line 30 to page 25, line 1 (paragraph 0073 of the present publication), from page 28, lines 21-25

(paragraph 0080 of the present publication), and illustrated as element 710 in Fig. 16. Claim 21 also recites a lien searching component executing on a computer for determining whether a lien record associated with said at least one real property-related lien can be tracked electronically and whether the at least one lien is due for release as a result of a note underlying the at least one lien having been satisfied, and receiving search results associated with said lien record, such as described, for example, on page 14, lines 14-31 (paragraph 0049 of published application), from page 23, line 30 to page 25, line 1 (paragraph 0073 of the present publication), from page 28, lines 21-25 (paragraph 0080 of the present publication), and illustrated as element 715 in Fig. 16. Claim 21 further recites a reporting component executing on a computer for presenting a report identifying a release status associated with said lien record, as described, for example, on page 16, lines 12-31, page 18, lines 5-17, page 28, lines 21-25 and page 29, lines 21-29 (paragraphs 0054, 0058, 0080 and 0083 of the published application), for example, and illustrated at 712 in Fig. 16.

The recitation of claim 22 is supported by page 15, lines 1-19 and page 31, lines 4-13 (paragraphs 0050 and 0087 of the published application), for example.

#### F. Independent claim 23

Claim 23 recites a method for brokering lien release information, which is shown generally in Figs. 16 and 17 and described from page 27, line 28 to page 32, line 11 (paragraphs 0079-0089 of the published application), for example. Claim 23 recites a first step of providing a network-accessible server having access to lien record information for a plurality of lien record-keeping jurisdictions, said server further having access to a database of electronic documents associated with at least one lien status, and further having means for identifying a lien status

based on transaction information and jurisdiction information associated with a real property-related lien, such as described, for example, on page 30, lines 10-28 (paragraph 0085 of the published application). With regard to the means-plus-function language, “means for identifying a lien status...”, Appellant identifies programming on the computer server identified on page 7, line 20 to page 8, line 8 and on page 30, lines 10-28 (paragraphs 0018 and 0085 of the published application) as exemplary structure, material and/or acts corresponding to the claimed function. Claim 23 recites a second step of providing at least one user interface capable of accessing said server for inputting identification and transaction information pertaining to at least one real property-related lien, as described, for example, on page 30, lines 10-28 (paragraph 0085 of the published application). Claim 23 further recites a third step of providing at least one user interface capable of accessing said server for requesting at least one search in connection with at least one real property-related lien and for requesting a determination as to whether the at least one real property-related lien has been released where a note underlying the at least one lien has been satisfied, as described, for example, on page 30, lines 10-28 and on page 31, lines 4-13 (paragraphs 0085 and 0087 of the published application). Claim 23 recites a fourth step of providing at least one user interface capable of accessing said server for displaying status information related to at least one real property-related lien, as described, for example, on page 30, lines 10-28 (paragraph 0085 of the published application). Claim 23 also recites a fifth step of providing at least one user interface capable of accessing said server for requesting the generation of at least one document in connection with at least one real property-related lien, as described, for example, on page 30, lines 10-28 (paragraph 0085 of the published application).

G. Independent claim 30

Claim 30 recites a system for brokering lien release information, which is shown generally in Figs. 16 and 17, and described from page 27, line 28 to page 32, line 11 (paragraphs 0079-0089 of the published application), for example. Claim 31 recites a network-accessible server having access to lien record information for a plurality of lien record-keeping jurisdictions, said server further having access to a database of electronic documents associated with at least one lien status, and further having means for identifying a lien status based on lien transaction information and lien jurisdiction information, all as described, for example, on page 30, lines 10-28 (paragraph 0085 of the published application). With regard to the means-plus-function language, “means for identifying a lien status...”, Appellant identifies programming on the computer server identified on page 7, line 20 to page 8, line 8 and on page 30, lines 10-28 (paragraphs 0018 and 0085 of the published application) as exemplary structure, material and/or acts corresponding to the claimed function. Claim 30 further recites at least one user interface capable of accessing said server for inputting identification and transaction information pertaining to at least one real property-related lien, as described, for example, on page 30, lines 10-28 (paragraph 0085 of the published application). Claim 30 further recites at least one user interface capable of accessing said server for requesting at least one search in connection with at least one lien and for requesting a determination as to whether the at least one real property-related lien has been released where a note underlying the at least one lien has been satisfied, as described, for example, on page 30, lines 10-28 and on page 31, lines 4-13 (paragraphs 0085 and 0087 of the published application). Claim 30 further recites at least one user interface capable of accessing said server for displaying status information related to at least one real property-related lien, as described, for example, on page 30, lines 10-28 (paragraph 0085 of the published application). Claim 30 further recites at least one user interface capable of accessing said server



for requesting the generation of at least one document in connection with at least one real property-related lien, as described, for example, on page 30, lines 10-28 (paragraph 0085 of the published application).

## **VI. Grounds of Rejection to be Reviewed on Appeal**

Rejection of claims 1-31 under 35 USC § 103(a) as allegedly being obvious over Feinberg et al. (U.S. Patent Application Publication No. 2002/0107703) in view of MERS® Integration Handbook (Vol. II, Version 11.0, May 19, 2002).

## VII. Argument

### A. Rejection of independent claims 1 and 10

To establish a *prima facie* case of obviousness, the applied references must disclose or suggest all of the claim limitations. See MPEP 2142; 706.02(j). If the applied references fail to disclose or suggest one or more of the features of a claimed invention, then the rejection is improper and must be withdrawn.

In KSR International Co. v. Teleflex Inc., the U.S. Supreme Court emphasized that “rejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” 82 USPQ2d 1385, 1396 (quoting In re Kahn, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)); MPEP 2142.

In this case, the Feinberg reference fails to disclose or suggest nearly all of the claim recitations.

1. Feinberg does not teach “identifying at least one real property-related lien where a note underlying the at least one lien has been satisfied, searching the lien records and determining from the lien records whether the at least one real property-related lien is due for release as a result of the note having been satisfied”.

The Office Action asserts that this feature of claim 1, step (b) and claim 10 is met in paragraph 0016 of Feinberg. Appellant respectfully disagrees with this assertion. The Feinberg reference is directly related to the outsourced process of creating and releasing a lien that is the responsibility of the creditor (or lender). It describes a medical lien recordation and post-payment release recordation process (see paragraphs 0011-0016) wherein the lien release is prepared and recorded once the lien holder has been paid 0016.

Specifically in paragraph 0016, the Feinberg process for releasing a lien is described with reference to Fig. 3. Fig. 3 of Feinberg is reproduced below:

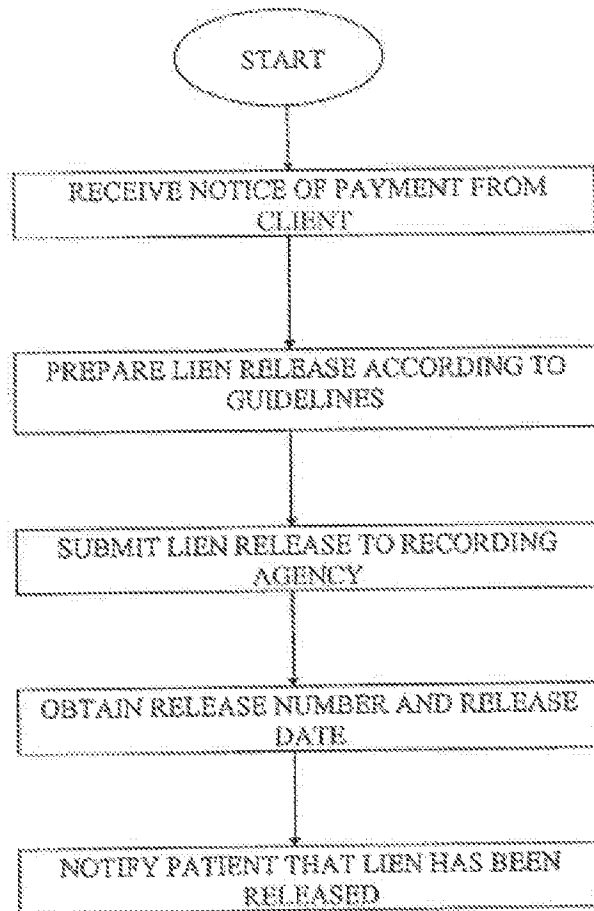


FIG. 3

Fig. 3 and paragraph 0016 of Feinberg very clearly illustrate and describe a release process. The release process takes place after the lien has been paid. The very first sentence of paragraph 0016 states, "Once the lien holder has been paid, a release or satisfaction is filed to indicate the debt has been paid." Everything after this first sentence in paragraph 0016 describes the release process as illustrated in Fig. 3.

By stark contrast, the claimed recitation requires searching lien records and determining whether a lien is due for release as a result of the note having been satisfied. Feinberg does not describe such steps, because Feinberg skips straight to the process of releasing the lien as stated in the first sentence of paragraph 0016. In fact, Feinberg teaches away from the claimed recitation because Feinberg describes receiving an e-mail message that a debt has been paid and then automatically preparing a release by a software program. There is no determination as to whether a lien is due for release, as Feinberg proceeds straight into producing the release.

The Office Action contends on page 4, lines 2-3, that Feinberg discloses “retrieving from the database (i.e. searching) patient and insurance data” is not supported by the true language of paragraph 0016. Further, The Office Action contends on page 4, lines 5-6, that “it is implied that if the guidelines cannot be met then it is determined that a release cannot be issued” is not supported by paragraph 0016 and is irrelevant to the claim language. The claimed recitation of claims 1 and 10 requires determining whether a lien is due for release as a result of the note having been satisfied. Feinberg has nothing similar. It is inconsequential to claim 1 whether release guidelines can be met; thus, the Office Action contention is erroneous and Appellant reiterates that the above claimed recitation is not shown or suggested by Feinberg.

2. Feinberg does not teach “identifying whether at least one lien holder is subject to an action for non-release of a real property-related lien”.

The Office Action asserts that this feature of claim 1, step (c) and claim 10 is met in paragraph 0016 of Feinberg. Appellant respectfully disagrees with this assertion. Feinberg teaches away from any such action as claimed in this recitation because, as stated above, Feinberg proceeds directly from the debt being paid to preparing a release. Given such action,

Feinberg has nothing to do with identifying whether a lien holder is subject to an action for non-release. The Office Action cites the same language as quoted above on page 4 of the Office Action against claim 1, step (b), and Appellant respectfully submits that this argument is unsupportive and inconsequential to the actual claim language recited above.

3. Feinberg does not teach step (d) of claim 1, “repeating steps (b) and (c) at given time intervals” and/or the claim 10 element, “iteratively querying said lien records and performing said identifications at given time intervals”.

Appellant has noted that Feinberg does not teach either of steps (b) or (c) of claim 1 above. As such, Feinberg cannot teach repeating such steps. The Office Action asserts that paragraph 0016 of Feinberg discloses this step because it discloses “the steps of determining a release of a lien to be repeated each time a notice of proper payment is received.” As a first matter, paragraph 0016 of Feinberg does not directly state that it repeats the release process at given time intervals, and Fig. 3 of Feinberg does not show a recurring loop. As a second matter, it is inconsequential whether Feinberg repeats a release process or not. The steps (b) and (c) of claim 1 that are repeated in step (d) do not pertain to repeating a release process. As such, Appellant submits that step (d) of claim 1 and the similar recitation in claim 10 are not shown.

#### B. Rejection of dependent claims 7 and 16

1. Feinberg does not teach “providing real-time access to a plurality of lien record-keeping jurisdictions at substantially the same time.”

The Office Action asserts that this feature is disclosed in paragraph 0016 of Feinberg by virtue of the guidelines that are stored in the database. Guidelines are simply rules. Storing

jurisdictional guidelines in a database is not the same as providing substantially simultaneous access to lien record-keeping jurisdictions in real-time. The present invention relies upon querying live, dynamic records held by various lien record-keeping jurisdictions across the country. This is far different from querying a static database. Accordingly, Applicant submits that Feinberg does not teach or suggest the claim language of claims 7 and 16.

C. Rejection of independent claims 19 and 21

1. Feinberg does not teach “determining whether the at least one lien is due for release as a result of a note underlying the at least one lien having been satisfied.”

The Office Action asserts that this element is shown in paragraph 0016 of Feinberg, and provides the same argument as stated in Section A.1. above. For the same reasons as stated in Section A.1. above, Appellant submits that this element is not shown.

2. Feinberg does not teach “searching for said lien record” and “receiving search results associated with said lien record”.

Because Feinberg does not teach the step of determining whether at least one lien is due for release as a result of a note underlying the lien having been paid, Feinberg cannot therefore teach searching for the same lien record, and receiving search results associated with the same lien record. Again, Feinberg proceeds straight from receiving notice of payment to producing a release. There is no determination step with regard to an unreleased lien that is due for release as claimed, and therefore there can be no searching or receiving search results associated with such a lien as claimed.

D. Rejection of dependent claims 20 and 22.

1. Feinberg does not teach “initiating communications to determine whether said lien has been released to at least one of: a payoff lender, a settlement agent, a courthouse, a third party title insurance underwriter”.

The Office Action cites paragraph 0016 of Feinberg against these claims, and asserts that Feinberg shows this claim language by “providing communication in the form of a copy of the release to the liable party and patient.” Office Action, page 9. The Feinberg citation refers to actually issuing a copy of the release. It does not refer to determining whether a lien has been released in the first place. Because Feinberg describes a release process in paragraph 0016 and in Fig. 3, there is logically no motivation to query whether a lien has been released at all. Feinberg handles the release. To the contrary, the present invention is concerned in part with making sure liens that should be released are actually released. As such, the present invention conducts searches to determine whether liens have been released, as claimed in claims 20 and 22. Accordingly, Feinberg does not teach or suggest the recitations of claims 20 and 22, and in fact teaches away from these recitations since Feinberg already handles the release.

#### E. Rejection of independent claims 23 and 30.

1. Feinberg and MERS do not disclose “providing at least one user interface...for requesting a determination as to whether the at least one real property-related lien has been released where a note underlying the at least one lien has been satisfied”.

On page 11 of the Office Action, the Examiner acknowledges that Feinberg does not teach this element, which incidentally contradicts the Examiner’s positions with regard to independent claims 1, 10, 19 and 21 as noted above. However, the Office Action cites MERS Integration Handbook, page 12, and Appendix D, Page 104 for this element.



MERS stands for Mortgage Electronic Registration System, which is a lien information management system directed to the basic components of the lien and release preparation and recordation processes. MERS is essentially a central electronic loan registry designed to provide a mechanism for interested parties to identify the holder of the note at the time of payoff.

The Office Action citation to Appendix D, page 104 is entitled "Transfer of Servicing Rights Reports" and has nothing to do with the above claim language. While there is a page 109 in Appendix D that references "Assignments and Lien Releases Report", it is described as a list of all lien releases and assignments that have been generated since the previous reporting cycle. This is consistent with MERS' purpose as a central electronic loan registry. However, it does not disclose or suggest an interface *for requesting a determination as to whether* a lien has been released where a note underlying the lien has been satisfied, as claimed. MERS simply provides a list of releases as part of a regular report. A user of MERS cannot query the registry to find out if a lien has been released where the underlying note has been satisfied.

To give context to the MERS references cited by the Examiner, Applicant submitted two documents with its response dated March 20, 2008 as part of an information disclosure statement. Pertinent excerpts from these documents were attached to the same response. The first document, MERS Procedures Manual dated November 2002 (hereinafter "MERS Procedures Manual"), indicates the procedures that MERS follows when a loan is considered paid in full. As shown on pages 89-90 of the MERS Procedures Manual, it is the Servicer or Subservicer that processes a "deactivation" of a loan indicating that it has been paid in full. An investor can also confirm that the loan has been paid in full. Then, the Servicer or Subservicer prepares the lien release. It is important to note that MERS is not handling, reporting, determining or otherwise manipulating any information in this exercise. Thus, MERS relies on

outside notifications and does not identify a lien where a note underlying the lien has been satisfied. Nor does MERS identify whether the lien is due for release as claimed in claims 1, 10, 19 and 21. MERS teaches away from these steps because MERS is essentially a listed mortgagee (like a lender) and relies on outside parties for notifications pertaining to note satisfaction and lien releases.

The second MERS document, MERSCORP, Inc. Rules of Membership, July 2006 version (hereinafter, "MERS Rules of Membership"), confirms MERS' operations with regard to notes that are paid in full and the release of related liens. As noted on pages 13-14 of MERS Rules of Membership, in Section 8, the Member gives notice to MERS that the loan has been paid in full. While MERS gives notice to all Members shown in its system as having interests in the mortgage loan, *it is the Member servicing the mortgage loan who is responsible to deliver an instrument of satisfaction or release.* Thus, MERS does not identify a lien where a note underlying the lien has been satisfied as claimed in claims 1 and 10. Nor does MERS identify whether the lien is due for release as claimed in claims 1, 10, 19 and 21. Further, MERS does not provide a user interface for requesting a determination as to whether the at least one lien has been released where a note underlying the at least one lien has been satisfied, as claimed in claims 23 and 30.

F. Improper consideration of Appellant Declaration under 37 CFR 1.132.

In Appellant's response dated June 9, 2010, Appellant submitted a declaration under 37 CFR 1.132 indicating commercial success of the present invention, which commercial success was shown as tied to the claimed subject matter of the present invention. In response thereto, the Office Action did not address the merits of Appellant's declaration, stating instead:

The Declaration under 37 CFR 1.132 filed June 9, 2010 is insufficient...because: It states that the claimed subject matter solved a problem that was long standing in the art. However, there is no showing that others of ordinary skill in the art were working on the problem and if so, for how long. In addition, there is no evidence that if persons skilled in the art who were presumably working on the problem knew of the teachings of the above cited references, they would still be unable to solve the problem. See MPEP § 716.04.

There is absolutely no consideration whatsoever in the Office Action of Applicant's position and declaration under oath as to the commercial success of the claimed invention, per MPEP § 716.03. Pages 9 and 10 of Applicant's response dated June 9, 2010, along with the inventor declaration and supporting exhibits, clearly state that the declaration pertains to commercial success. However, the Examiner has exclusively focused on the "long felt need" and "failure of others" aspects permitted to be argued using declarations under 37 CFR § 1.132. The Examiner's only citation to Section 716 of the MPEP is § 716.04 as noted above.

Applicant submits that this does not amount to an adequate evaluation of objective evidence of non-obviousness as mandated by *Graham v. John Deere Co.*, 148 USPQ 459 (1966), as noted in MPEP § 1504.03. MPEP § 1504.03 mandates that examiners evaluate evidence of commercial success submitted by patent applicants to determine whether there is objective evidence of success, and whether the success can be attributed to the claimed invention. Applicant submits that the Examiner has not done so in this application and thus there have been clear errors and omissions in the consideration of Applicant's response.

Applicant is entitled to have all evidence fully considered on the merits. See *In re Sullivan*, 84 USPQ2d 1034, 1038-39 (Fed. Cir. 2007) (citing *In re Soni*, 34 USPQ2d 1684 (Fed. Cir. 1995) (stating that "all evidence of nonobviousness must be considered when assessing patentability") and *In re Sernaker*, 217 USPQ 1 (Fed. Cir. 1983) ("If, however, a patent applicant

presents evidence relating to these secondary considerations, the board must always consider such evidence in connection with the determination of obviousness.”)).

Quoting the U.S. Patent and Trademark Office’s post-KSR 2010 Examination Guidelines Update,

Office personnel should not...summarily dismiss it [rebuttal evidence] as not compelling or insufficient. If the evidence is deemed insufficient to rebut the *prima facie* case of obviousness, Office personnel should specifically set forth the facts and reasoning that justify this conclusion.  
Federal Register, Vol. 75, No. 169, September 1, 2010, page 53657.

Further, “[o]ffice personnel must consider the appropriate weight to be accorded to each piece of evidence. An obviousness rejection should be made or maintained only if evidence of obviousness outweighs evidence of non-obviousness.” *Id.* at 53658.

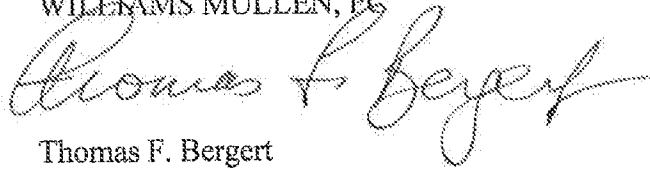
In the present case, Appellant received no analysis, no facts and no reasoning to support the conclusion in the Office Action that Appellant’s declaration of commercial success was insufficient. Further, the purported evidence of obviousness, refuted above, does not outweigh the evidence of non-obviousness presented by the Appellant in the response dated June 9, 2010.

#### G. Conclusion

The prior art must show *all* claim elements in order to find anticipation or obviousness, and *all* words in a claim must be considered in judging the patentability of that claim against the prior art (see *Manual of Patent Examining Procedure (MPEP)* §§ 706.02(j) and 2143.03). Feinberg is noticeably void of any discussion of tracking a lien *release*, determining whether the lien has been released when the underlying note has been satisfied, determining that the lien has not been released and is due for release and presenting a report as claimed. MERS is similarly deficient for the reasons stated above. Appellant respectfully submits that the person of ordinary skill in the art at the time of applicant's invention would not have found the invention as presently claimed obvious in light of the Feinberg and MERS references. There is no teaching, suggestion or motivation to combine the prior art references in any manner to reach the invention as presently claimed in independent claims 1, 10, 19, 21, 23 or 30. In addition, Appellant's evidence of commercial success was categorically dismissed without consideration. Accordingly, it is respectfully requested that the Board remand this patent application back to the Examiner with the directive to issue a Notice of Allowance in this matter.

One copy of the appeal brief is being filed, along with payment of the appeal brief fee of \$270 for a small entity and payment of the requisite extension of time fee. To the extent other fees are owed, the Commissioner is authorized to charge Deposit Account No. 50-0766 in the required amount, but not to include the issue fee.

Respectfully submitted,  
WILLIAMS MULLEN, PC

A handwritten signature in cursive script, reading "Thomas F. Bergert".

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Filed: January 27, 2011

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**VIII. Claims Appendix:**

Listing of Claims:

Claim 1. A method for managing lien releases, comprising the steps of:

- (a) providing computer access to real property-related lien records for a plurality of lien record-keeping jurisdictions, each of said lien records including a respective lien holder entry;
- (b) identifying, using a programmed computer, at least one real property-related lien where a note underlying the at least one lien has been satisfied, searching the lien records and determining from the lien records whether the at least one real property-related lien is due for release as a result of the note having been satisfied;
- (c) identifying whether at least one lien holder is subject to an action for non-release of a real property-related lien;
- (d) repeating steps (b) and (c) at given time intervals; and
- (e) presenting, using a programmed computer, a report of a subset of said lien records, said report including the identification of any liens due for release and any lien holders subject to penalty for non-release associated with said subset.

Claim 2. The method of claim 1 wherein step (e) is operable upon receiving a request.

Claim 3. The method of claim 1 wherein step (e) is operable upon detection of a change in said identified liens or lien holders.

Claim 4. The method of claim 1 including the step of: (f) identifying released liens.

Claim 5. The method of claim 1 including the step of: (f) providing a database of jurisdictional-specific rules regarding lien releases.

Claim 6. The method of claim 5 including the step of: (g) providing a database of documents associated with said rules.

Claim 7. The method of claim 1 wherein step (a) involves providing real-time access to said plurality of jurisdictions at substantially the same time.

Claim 8. The method of claim 1 wherein said given time intervals are established by individual request.

Claim 9. The method of claim 1 wherein the programmed computer is a network-accessible server.

Claim 10. A system for managing lien releases, comprising:

    a lien management component executing on a computer for providing access to real property-related lien records for a plurality of lien record-keeping jurisdictions, each of said lien records including a respective lien holder entry;

    a lien status identification component executing on a computer for identifying at least one real property-related lien where a note underlying the at least one lien has been satisfied, searching the lien records and determining from the lien records whether the at least one real property-related lien is due for release as a result of the note having been satisfied, and for identifying whether at least one lien holder is subject to an action for non-release of a real property-related lien, said status component including means for iteratively querying said lien records and performing said identifications at given time intervals; and

    a reporting component executing on a computer for presenting a report of a subset of said lien records, said report including the identification of any liens due for release and any lien holders subject to penalty for non-release associated with said subset.

Claim 11. The system of claim 10 wherein said reporting component is operable upon receiving a request.

Claim 12. The system of claim 10 wherein said reporting component is operable upon detection of a change in said identified liens or lien holders.



Claim 13. The system of claim 10 wherein said lien status component includes means for identifying released liens.

Claim 14. The system of claim 10 wherein said lien status component includes means for providing access to a database of jurisdictional-specific rules regarding lien releases.

Claim 15. The system of claim 14 further including a document generation component for generating documents associated with said rules.

Claim 16. The system of claim 10 wherein said lien record-tracking component provides real-time access to said plurality of jurisdictions at substantially the same time.

Claim 17. The system of claim 10 wherein said given time intervals are established by individual request.

Claim 18. The system of claim 10 wherein said computer is a network-accessible server.

Claim 19. A method for managing lien releases, comprising the steps of:

- receiving, by a programmed computer, transactional information related to at least one real property-related lien;

- providing, by the programmed computer, at least one electronic document based on said transactional information;

- determining whether a lien record associated with said at least one real property-related lien can be tracked electronically and whether the at least one lien is due for release as a result of a note underlying the at least one lien having been satisfied;

- searching, using the programmed computer, for said lien record;

- receiving, by the programmed computer, search results associated with said lien record;

and

- presenting a report identifying a release status associated with said lien record.

Claim 20. The method of claim 19 wherein said searching step includes initiating communications to determine whether said lien has been released to at least one of: a payoff lender, a settlement agent, a courthouse, a third party title insurance underwriter.

Claim 21. A system for managing lien releases, comprising:

- a lien management component executing on a computer for receiving transactional information related to at least one real property-related lien and providing at least one electronic document based on said transactional information;

- a lien searching component executing on a computer for determining whether a lien record associated with said at least one real property-related lien can be tracked electronically and whether the at least one lien is due for release as a result of a note underlying the at least one lien having been satisfied, searching for said lien record, and receiving search results associated with said lien record; and

- a reporting component executing on a computer for presenting a report identifying a release status associated with said lien record.

Claim 22. The system of claim 21 further including a communications component for initiating communications to determine whether said at least one lien has been released to at least one of: a payoff lender, a settlement agent, a courthouse, a third party title insurance underwriter.

Claim 23. A method for brokering lien release information, comprising the steps of:

- providing a network-accessible server having access to lien record information for a plurality of lien record-keeping jurisdictions, said server further having access to a database of electronic documents associated with at least one lien status, and further having means for identifying a lien status based on transaction information and jurisdiction information associated with a real property-related lien;

- providing at least one user interface capable of accessing said server for inputting identification and transaction information pertaining to at least one real property-related lien;

- providing at least one user interface capable of accessing said server for requesting at least one search in connection with at least one real property-related lien and for requesting a

determination as to whether the at least one real property-related lien has been released where a note underlying the at least one lien has been satisfied;

providing at least one user interface capable of accessing said server for displaying status information related to at least one real property-related lien; and

providing at least one user interface capable of accessing said server for requesting the generation of at least one document in connection with at least one real property-related lien.

Claim 24. The method of claim 23 including the further step of providing at least one user interface capable of accessing said server for requesting notification of a change in status information pertaining to at least one lien.

Claim 25. The method of claim 23 wherein said lien record information includes at least one of title information, recording information, indexing information, and financial information.

Claim 26. The method of claim 23 wherein said lien transaction information includes at least one of a date of settlement, a date of disbursement and a date of notice of payoff payment to a lender.

Claim 27. The method of claim 23 wherein said lien jurisdiction information includes a statutory time limit for releasing liens upon satisfaction.

Claim 28. The method of claim 23 wherein said lien identification information includes at least one of an obligor, a lien holder, a loan amount, a payee identifier and a lien jurisdiction.

Claim 29. The method of claim 23 wherein said lien status information includes at least one of pending payment, awaiting statutory limit expiration, queued for search, searched by title searcher, awaiting search results, awaiting settlement agency release, pending demand, released and disbursement archived.

Claim 30. A system for brokering lien release information, comprising:

a network-accessible server having access to lien record information for a plurality of lien record-keeping jurisdictions, said server further having access to a database of electronic documents associated with at least one lien status, and further having means for identifying a lien status based on lien transaction information and lien jurisdiction information;

at least one user interface capable of accessing said server for inputting identification and transaction information pertaining to at least one real property-related lien;

at least one user interface capable of accessing said server for requesting at least one search in connection with at least one lien and for requesting a determination as to whether the at least one real property-related lien has been released where a note underlying the at least one lien has been satisfied;

at least one user interface capable of accessing said server for displaying status information related to at least one real property-related lien; and

at least one user interface capable of accessing said server for requesting the generation of at least one document in connection with at least one real property-related lien.

Claim 31. The system of claim 30 further including at least one user interface capable of accessing said server for requesting notification of a change in status information pertaining to at least one lien.

**IX. Evidence Appendix**

MERS Integration Handbook, Vol. II, Version 11.0, May 19, 2002. Originally cited in Office Action dated September 19, 2007 by examiner, Matthew S. Meyers.

MERS Procedures Manual, Version 10.0, November 18, 2002. Originally cited by Appellant in response dated March 20, 2008. Entered and considered by Examiner per communication of July 17, 2008.

MERSCORP, Inc. Rules of Membership, July 2006. Originally cited by Appellant in response dated March 20, 2008. Entered and considered by Examiner per communication of July 17, 2008.

Declaration Under 37 CFR 1.132 dated June 8, 2010, accompanied by Exhibits A through F. Originally filed by Appellant on June 9, 2010. Entered and acknowledged by Examiner in Office Action of August 3, 2010.

**X. Related Proceedings Appendix**

No decision has been made in:

Application No. 10/308,268, a commonly owned application having commonly disclosed but distinctly claimed subject matter, with a Notice of Appeal filed on October 1, 2010, and an Appeal Brief filed on even date herewith.